

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	16241	Agenda Number	78.
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Meeting Date:	6/28/2012	Department:	Treasury
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Subject

Approve a resolution expressing the City's consent, as required by Internal Revenue Code Section 147(f), to Newark Cultural Education Facilities Finance Corporation's loan to Austin Children's Museum in an amount not to exceed \$12,000,000 to finance the costs of acquiring, constructing and equipping an approximate 36,304 square foot, 2-story museum facility to be located at 1830 Simond Avenue, Austin, Texas.

Amount and Source of Funding

Fiscal Note

Purchasing Language:	
Prior Council Action:	
For More Information:	Art Alfaro, Treasurer, Finance and Administrative Services 974-7882
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

The Newark Cultural Education Facilities Finance Corporation intends to enter a loan agreement in an aggregate amount not to exceed \$12,000,000 with Regions Capital Advantage, Inc. and loan the proceeds to Austin Children's Museum in Austin, Texas. The loan will be used for: (i) financing costs of acquiring, constructing and equipping of an approximate 36,304 square foot, 2-story museum facility consisting of indoor exhibit galleries, outdoor exhibit gallery, multipurpose program rooms, administrative offices, and exhibit fabrication workshop (and facilities incidental, subordinate, related or appropriate for this project); all these facilities will be located at 1830 Simond Avenue, Austin, Texas; and (ii) paying certain expenses in connection with the issuance of the loans.

The Cultural Education Facilities Finance Corporation Act (Article 1528m, Vernon's Texas Civil Statutes) permits a nonprofit corporation, acting on behalf of a city or a county, to sell bonds, make loans, or enter into leases to finance or refinance cultural and community facilities. Because the facilities being refinanced for Austin Children's Museum are located within the City of Austin, the Internal Revenue Code requires that the Mayor or the City Council approve the loan.

The City of Austin is not being asked for funds and in no way will the loan be considered a debt or liability to the City. The financing does not count against the City's bonding capacity. All the expenses and repayment liability for this financing are solely an obligation of the Austin Children's Museum.